

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT is made and entered into as of the date set forth adjacent to the signatures below between Robert G. Prucha, Jr. and Bonny Prucha, husband and wife ("Seller"), and Legion Arts, Inc. ("Purchaser"). The Effective Date shall be the date on which Seller executes this Agreement after Purchaser's execution hereof.

In consideration of the covenants and agreements contained herein, the parties agree as follows:

1. Property To Be Purchased. Subject to compliance with the terms and conditions of this Agreement, Seller shall sell to Purchaser and Purchaser shall purchase from Seller the real properties locally known as 1101 3rd Street SE, 1111 3rd Street SE and a contiguous vacant lot all in Cedar Rapids, IA and legally described below which legal description will be confirmed by the abstract(s) of title:

Lot 1, Block 22, Carpenter's Third Addition to the Town of Cedar Rapids, Linn County, Iowa and Lots 9 & 10, Block 22, Carpenter's Third Additions to the Town of Cedar Rapids a/k/a Lots 9 & 10, Block 22, Carpenter's Third Additions to the Town of Cedar Rapids, Linn County, Iowa

subject to easements, restrictions, conditions and covenants of record approved by Purchaser (the "Property"), together with all easements, tenements, hereditaments, and appurtenances belonging thereto and the benefit of any parts of or benefits from governmental programs arising out of the June, 2008 flood event, whether or not Seller has applied for or received same.

2. Purchase Price: The purchase price for the Property ("Purchase Price") shall be the Five Hundred and Seventy-five Thousand Dollars (\$575,000) payable as follows:
 - A. One Thousand Dollars (\$1,000) earnest money (the "Earnest Money") which shall be delivered to and held in trust by Purchaser's counsel, Shuttleworth & Ingersoll, PLC within 5 business days after the Effective Date.
 - B. The balance of the Purchase Price by wire transfer, certified or cashier's check at the closing hereunder.
3. Abstract. Seller, at its sole cost and expense, shall deliver to Purchaser, an abstract of title to the Property continued through recent date. The abstract shall show merchantable title in Seller in conformity with this Agreement, Iowa Law and Title Standards of the Iowa State Bar Association. The abstract shall become the property of Purchaser when the Purchase Price is paid in full. Seller shall pay the costs of any additional abstracting and title work due to any act or omission of Seller.

Purchaser shall have sixty (60) days after delivery of the updated abstract of title to render its objections to title including any easements, restrictions, conditions and covenants in writing to Seller and Seller shall have until the Closing Date to have such objections removed or satisfied. If Seller shall fail to have objections removed, Purchaser may, in its sole discretion, either (a) terminate this Agreement without any liability on its part and receive a refund of Earnest Money, or (b) if the objections are such that they may be removed by the reasonable expenditures of sums of money, take title to the Premises and discharge such objections out of the Purchase Price, crediting the Purchase Price with the same, or (c) if the objections are such that they may not be removed by expenditures of sums of money, take title subject to such objections.

4. Rights of Inspection, Testing and Review.
 - A. Seller shall deliver to Purchaser within ten (10) days of execution of this Agreement by Seller and Purchaser, complete and accurate copies of all notices, consents, approvals, plans, specifications, surveys, engineering studies, analysis, soil test borings, environmental studies and other documentation pertaining to the Property (whether

prepared by Seller, Seller's agents or independent contractors, any governmental authority or agency, federal, state or local, or any other third party), to the extent that Seller has the same in its possession.

- B. Purchaser, its counsel, accountants, agents and other representatives, shall have full and continuing access to the Property and all parts thereof, upon reasonable notice to Seller. Purchaser and its agent and representatives shall also have the right to enter upon the Property at any time after the execution and delivery hereof for any purpose whatsoever, including inspecting, surveying, engineering, test boring, performance of environmental tests and such other work as Purchaser shall consider appropriate, provided that Purchaser shall hold Seller harmless and fully indemnify Seller against any damage, claim, liability or cause of action arising from or caused by the actions of Purchaser, its agents, or representatives upon the Property, and shall have the further right to make such inquiries of governmental agencies and utility companies, etc., and to make such feasibility studies and analyses as it considers appropriate.
5. Control of Property. Seller shall have responsibility for any and all damages or injury of any kind whatsoever to the Property, and any and all persons, whether employees or otherwise, and all property from and connected to the Property. If, prior to the closing, the Property is materially damaged, by acts, events or omissions other than by the negligent or intentional conduct of Purchaser, its employees, agents or representatives, or the Property shall be the subject of an action in eminent domain or a proposed taking by a governmental authority, whether temporary or permanent, Purchaser, at its sole discretion, shall have the right to terminate this Agreement upon notice to Seller without liability on its part by so notifying Seller and all sums heretofore paid by Purchaser (with interest) shall be refunded to Purchaser. If Purchaser does not exercise its right of termination, any and all proceeds arising out of such damage or destruction, if the same be insured, or out of any such eminent domain or taking, shall be assigned to or paid over to the Purchaser on the Closing Date. Seller agrees to keep the Property continually insured during the term of this Agreement.
6. Representations Of Seller. In order to induce Purchaser to enter into this Agreement and purchase the Property, Seller hereby represents and warrants to Purchaser that:
- A. Seller has good and marketable fee simple title interest to the Property.
- D. All labor or material including flood clean up labor and material which has been furnished to the Property have been fully paid for so that no lien for labor or materials rendered can be asserted against the Property.
- E. There are no notices, orders, suits, judgment or other proceedings relating to fire, building, zoning, air pollution or health violations that have not been corrected. Seller shall notify Purchaser of any past notices, orders, suits, judgments or other proceedings relating to fire, building, zoning, air pollution or health violations as they relate to the Property.
- F. All service contracts, if any, affecting the Property are cancelable without penalty on thirty (30) days' notice.
- G. There are no leases or tenants of the Property.
- H. Except as may be set forth in any reports regarding the environmental condition of the Property provided to Purchaser in compliance with paragraph 4A above, to Seller's knowledge: (i) there are no Hazardous Substances in or on the Property, (ii) no Hazardous Substances have been used, stored, generated, spilled, transported, disposed or released in or on the Property, (iii) no storage tanks or other containers for gasoline or any other Hazardous Substance have been or are now located in or on the Property, whether above ground or below ground; (iv) no Governmental Authority has

served upon Seller any notice claiming any violation of any laws, rules or regulations relating to Hazardous Substances with respect to the Property or noting the need for any corrective action with respect thereto, nor is any such claim or proceeding proposed, threatened or otherwise anticipated by Seller; (v) there are no existing or pending remedial actions or other work, repairs, construction or capital expenditures with respect to the Property in connection with Environmental Laws, nor has Seller received any notice of any of the same and (vi) the sale of the Property by Seller to Purchaser does not require notice to or the prior approval, consent or permission of any federal, state or municipal or local governmental agency, body, board or official.

The term "**Hazardous Substances**" means any hazardous materials, hazardous substances, toxic wastes, toxic substances, pollutants, petroleum products, oils, asbestos, PCBs or contaminants, as those terms are commonly used or as defined and regulated by laws, rules and regulations now in existence or hereafter enacted that govern the protection of health and/or the environment, including, but not limited to, the Resource Conservation and Recovery Act, 42 U.S.C.A. Sec. 6901, et seq., the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C.A. Sec. 9601, et seq., the Clean Water Act, 33 U.S.C.A. Sec. 1251, et seq., the Clean Air Act, 42 U.S.C.A. Sec. 7401, et seq., the Federal Water Pollution Control Act, 33 U.S.C.A. Sec. 1251, et seq., as may be amended. The term "Environmental Laws" means any applicable federal, state, county or municipal or local statutes, laws, regulations, rules, ordinances, codes, standards, orders, licenses and permits of any governmental authorities relating to environmental matters, health and safety.

The representations and warranties set forth in this Section 6 shall be continuing and shall be true and correct on and as of the Closing Date with the same force and effect as if made at that time and all such representations and warranties shall survive closing and shall not be affected by any investigation, verification or approval by any party thereto or by anyone on behalf of any party hereto and shall not merge into Seller's deed being delivered at closing.

7. Conditions to Closing.

- A. The closing of the transaction contemplated by this Agreement and all the obligations of Purchaser under this Agreement are subject to fulfillment of the following conditions on before 180 days from the Effective Date ("Condition Date"):
 - (a) Purchaser, in its sole discretion, having completed and approved of its inspections and investigations of the Property including environmental inspections and of the documents, if any, provided by Seller under Section 4A above ("Inspections").
 - (b) Purchaser having secured financing, satisfactory to Purchaser in its sole discretion, for its purchase of the Property.
 - (c) Purchaser determined, in its sole discretion, that the Property is suitable for Purchaser's proposed development and use and such development and use is feasible.
 - (d) The accuracy of Seller's representations and warranties set forth herein as of the date hereof and as of the Closing Date.
- B. On or before the Condition Date, Purchaser may, by delivery of written notice to Seller declare that it does not wish to go forward with this transaction because the conditions set forth in paragraph 7A have not been satisfied. If Purchaser fails to notify Seller pursuant to this paragraph 7B, then this Agreement shall be deemed in full force and effect. If Purchaser notifies Seller of its choice not to go forward with this transaction,

then this Agreement shall be deemed null and void. In such case the Earnest Money (and all interest) shall be paid to Purchaser.

8. Closing. Subject to the fulfillment or waiver of the conditions hereof, and provided that all of the covenants, representations and warranties of Seller are true and correct on the Closing Date as though made on such date, the closing of the purchase and sale shall take place within a reasonable time after the date of the satisfaction or waiver by Purchaser of the conditions set forth in paragraph 7A (the "Closing Date"). The closing shall take place at such place as Seller and Purchaser may mutually determine. Possession shall be delivered on the Closing Date.
9. Seller's Obligations At Closing. At or prior to the Closing Date, Seller shall:
 - A. Deliver to Purchaser Seller's duly recordable Warranty Deed to the Property (in a form satisfactory to Purchaser) conveying to Purchaser marketable fee simple title to the Property and all rights appurtenant thereto free and clear of liens and encumbrances.
 - B. Deliver to Purchaser the Abstract of Title to the Property.
 - C. Deliver to Purchaser a signed Ground Water Hazard Statement that will be filed at closing.
 - D. Deliver to Purchaser a signed Declaration of Value that will be filed at closing.
10. Delivery of Purchase Price; Obligations At Closing. At closing, and subject to the terms, conditions, and provisions hereof and the performance by Seller of its obligations as set forth herein, the Earnest Money shall be delivered to Seller and Purchaser shall deliver the balance of the Purchase Price to Seller pursuant to Section 2 hereof.
11. Closing Costs. The following costs and expenses shall be paid as follows in connection with the closing:
 - A. Seller shall pay:
 - (i) The transfer tax imposed on the conveyance.
 - (ii) A pro-rata portion of all taxes as provided in Section 12 below.
 - (iii) All special assessments whether levied, pending or assessed.
 - (iv) The cost of recording the satisfaction of any existing mortgage and any other document necessary to make title marketable.
 - (v) Seller's attorney's fees.
 - B. Purchaser shall pay:
 - (i) The fee necessary to record the Deed.
 - (ii) Purchaser's attorney's fees.
12. Real Estate Taxes and Special Assessments.
 - A. Sellers shall pay all real estate taxes for all periods attributable to its ownership/possession of the Property.
 - B. All real estate taxes for the fiscal year in which possession is given that are due and payable in the following fiscal year shall be prorated between Seller and Purchaser as of

the date of possession. Purchaser shall be given a credit at closing for such pro-ration based upon the last known real estate taxes payable.

- C. All charges for solid waste removal, sewage, other utilities, and assessments for maintenance attributable to Seller's possession are to be paid by Seller.
 - D. All subsequent taxes and special assessments are to be paid by Purchaser.
13. Brokerage. Seller and Purchaser represent and warrant to each other that they have not engaged the services of any broker in connection with the sale and purchase contemplated by this Agreement. Seller and Purchaser hereby agree to indemnify and hold one another harmless for any claim (including reasonable expenses incurred in defending such claim) made by a broker or sales agent or similar party in connection with this transaction and not disclosed herein.
14. Remedies. If Seller defaults in the performance of this Agreement, Purchaser shall be entitled to a return of the Earnest Money and shall have such additional remedies as may be provided by law or equity. If Purchaser defaults in the performance of this Agreement, Seller shall be entitled to the Earnest Money and Seller shall have such additional remedies as may be provided by law or equity including the right to forfeit this Agreement under Iowa Code Chapter 656.
15. Miscellaneous. The following general provisions govern this Agreement.
- A. No Waivers. The waiver by either party hereto of any condition or the breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any other condition or of any subsequent breach of the same or of any other term, covenant or condition herein contained. Either party, in its sole discretion may waive any right conferred upon such party by this Agreement; provided that such waiver shall only be made by giving the other party written notice specifically describing the right waived.
 - B. Time of Essence. Time is of the essence of this Agreement.
 - C. Governing Law. This Agreement is made and executed under and in all respects to be governed and construed by the laws of the State of Iowa and the parties hereto hereby agree and consent and submit themselves to any court of competent jurisdiction situated in Iowa.
 - D. Notices. All notices and demands given or required to be given by any party hereto to any other party shall be deemed to have been properly given if in writing and if and when delivered in person or three (3) business days after having been deposited in any U.S. Postal Service and sent by registered or certified mail, Postage prepaid, addressed as follows (or sent to such other address as any party shall specify to the other party pursuant to the provisions of this Section):

If to Seller:

Robert G. Prucha, Jr.
2225 Debra Drive SW
Cedar Rapids, IA 52404

If to Purchaser:

Legion Arts, Inc.
1103 3rd Street SE
Cedar Rapids, IA 52401

Any party, by notice given as aforesaid, may change the address to which subsequent notices are to be sent to such party.

- E. Assignability. This Agreement, when duly executed by all of the parties hereto, shall be binding upon the parties hereto, their heirs, representatives, successors and assigns. Notwithstanding the foregoing, however, this Agreement and the rights set out herein may be assigned by Purchaser. No assignment consented to by Seller shall release Purchaser from any liability under this Agreement.
- F. Invalidity. If for any reason any term or provision of this Agreement shall be declared void and unenforceable by any court of law or equity it shall only affect such particular term or provision of this Agreement and the balance of this Agreement shall remain in full force and effect and shall be binding upon the parties hereto.
- G. Costs. Notwithstanding any other provisions herein to the contrary, if any action or proceeding is brought by Seller or Purchaser to interpret the provisions hereof or to enforce either party's respective rights under this Purchase Agreement, the prevailing party shall be entitled to recover from the unsuccessful party therein, in addition to all other remedies, all costs incurred by the prevailing party in such action or proceeding, including reasonable attorney's fees.
- H. Complete Agreement. All understandings and agreements heretofore had between the parties are merged into this Agreement which alone fully and completely express their agreement. This Agreement may be changed only in writing signed by both of the parties hereto.

SELLER:




ROBERT G. PRUCHA, JR.

Dated: 7.23.09

PURCHASER:
LEGION ARTS, INC.



F. JOHN HERBERT
EXECUTIVE DIRECTOR



DAVID CHADIMA
CHAIR, BOARD OF DIRECTORS

Dated: 7.23.09